

Article - Estates and Trusts

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§15–404.

(a) (1) Subject to any specific limitation set forth in a gift instrument or in law other than this subtitle, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances.

(2) An institution shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision, in:

(i) Selecting an agent;

(ii) Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund; and

(iii) Periodically reviewing the actions of the agent in order to monitor the performance and compliance of the agent with the scope and terms of the delegation.

(b) In performing a delegated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.

(c) The standard established by § 15–402(b) of this subtitle is not limited or extinguished by the appointment of an external agent.

(d) By accepting delegation of a management or investment function from an institution that is subject to the laws of the State, an agent submits to the jurisdiction of the courts of the State in all proceedings arising from or related to the delegation or the performance of the delegated function.

(e) An institution may delegate management and investment functions to the committees, officers, or employees of the institution as authorized by law other than this subtitle.

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